



**Office of Court Administration**

**Collection Improvement Program**

**Independent Auditor's Report  
On Court Collections**

**Denton County**

**April 7, 2014**

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# EXECUTIVE SUMMARY

## Audit Results

The Collection Improvement Program (CIP) Audit Department of the Office of Court Administration (OCA) has performed the procedures enumerated below, which were agreed to by the CIP Technical Support Department of the OCA and Denton County (County). The procedures were performed to assist you in evaluating whether the collection program of the County has complied with Article 103.0033 of the Code of Criminal Procedure and Title 1, §175.3 of the Texas Administrative Code (TAC).

Our testing indicates the collection program for the County is compliant with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3. No findings were noted. In testing the required components, there were several errors found where the collection requirement criteria were not met. See detail in Procedures 8, 9, and 10 in the Detailed Procedures and Findings section of this report.

We were not engaged to, and did not, conduct an examination of the County, the objective of which would be the expression of an opinion on the County's financial records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

The County's management is responsible for operating the collection program in compliance with the requirements of Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

The sufficiency of these procedures is solely the responsibility of the CIP Technical Support Department of the OCA, and we make no representation regarding the sufficiency of the procedures for the purpose for which this report has been requested or for any other purpose.

The compliance engagement was conducted in accordance with standards for an agreed-upon procedures attestation engagement as established by the American Institute of Certified Public Accountants.

## Objective

The objective of the engagement was to determine if the County complied with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

## Summary of Scope and Methodology

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of January 1, 2013 through February 28, 2013, but were not paid at the time of assessment. Cases were tested beyond the audit period to determine compliance with all components of the collection program. The procedures performed are enumerated in the Detailed Procedures and Findings section of this report.

## Reporting of Sampling Risk

In performing the procedures, the auditor did not include a detailed inspection of every transaction. A random sample of cases was tested as required by 1 TAC §175.5(b). In consideration of the sampling error inherent in testing a sample of a population, a specific error rate cannot be reported; however, we can report the range within which we have calculated the error rate to fall.

## DETAILED PROCEDURES AND FINDINGS

1. *Obtain a population of all adjudicated cases in which the defendant does not pay in full within one (1) month of the date court costs, fees, and fines are assessed.*

The County provided a list of defendants who accepted an extension and/or a payment plan during the period of January 1, 2013 through February 28, 2013. The population received was from three (3) separate County collection programs (Justice Court - Precinct 3, Justice Court - Precinct 5, and the Centralized Program). Each program population was scrubbed to remove cases defined as exclusionary cases delineated by the restrictions in the Request for Information form, and to segregate the population into three (3) separate and distinct populations. For this discussion the populations are referred to as (Main, Delinquent, and Capias) populations.

- The Main population is those defendants who requested and received an extension and/or a payment plan and were current with the terms of the payment agreement. A total of 1,915 cases were identified for all programs.
- The Delinquent population consists of defendants who missed a scheduled payment(s) and or failed to report by the extension due date. A total of 514 cases were identified for all programs.
- The Capias population includes the cases where a Capias Pro-Fine was sought for defendants that did not pay. A total of 79 cases were identified.
- A total of 5,508 cases formed the three (3) distinct populations.

2. *Select a randomly-generated, statistically-valid sample of cases to be tested.*

A randomly-generated, statistically-valid sample was taken from the Main, Delinquent, and the Capias populations. The categories and number of samples tested are listed below:

- The Main population – 40 cases were tested as detailed in Procedures 8 through 11 listed below.
- The Delinquent population – 46 and 44 cases were tested, respectively, as detailed in Procedures 12 and 13 below.
- The Capias population – 30 cases were tested as detailed in Procedure 14 below.

3. *Obtain a completed survey, in a form prescribed by CIP Audit, from the county/municipality.*

A completed survey was obtained and reviewed for information pertinent to the engagement. Survey responses were used to determine compliance with Procedures 4 through 6 listed below.

4. *Evaluate the survey to determine if the local collection program has designated at least one (1) employee whose job description contains an essential job function of collection activities. Answers received will be verified during field work.*

Each collection program had at least one staff employee whose job description contains essential job functions of the collection activities as a priority job function. During the field audit process the auditor met, observed, and discussed the County's collection staff job duties relating to the County's collection activities.

The County is compliant with this component.

5. *Evaluate the survey to determine if program staff members are monitoring defendants' compliance with the terms of their payment plans or extensions. Answers will be verified through testing of Defendant Communication components.*

The County's monitoring process of each defendant's compliance with the terms of the extension or payment plan agreement is as follows:

Justice Courts - Precinct 3 and 5:

Precinct personnel monitor defendant's compliance via a manual and electronic system (Odyssey). In Precinct 3, the Chief Clerk monitors weekly due dates and begins the collection process with a delinquency call to defendants that missed a payment on the required due date. Precinct 5 marks the outside of the defendant's file with the next payment due date. The files are monitored daily to ensure payments are received by the payment due date displayed on the file.

The Centralized Program:

The program monitors defendant's compliance via an electronic system (Odyssey). A Collection Program Delinquency report is generated by the program's collection staff; delinquency calls, mail notices and/or Capias Pro Fine warrants are issued to defendants that appear on the report.

While on-site, the auditor met, observed, and discussed the dedicated staff's monitoring program responsibilities.

The County is compliant with this component.

- Evaluate the survey to determine if the program has a component designed to improve collections of balances more than 60 days past due. Answers will be verified through testing of Defendant Communication components.*

The processes to improve collection of seriously delinquent cases are as follows:

Justice Courts Precinct 3 and 5:

In Precinct 3, Capias warrants are issued, and cases are sent to an outside collections vendor after 90 days past due. Precinct 5 also issues Capias warrants and uses the outside vendor to address the cases that are seriously delinquent.

Centralized Program:

Generally, the Centralized Program seeks Capias warrants. Some Justice of the Peace Courts send cases to a collection vendor to address the cases that are seriously delinquent.

While on-site, the auditor verified that the process was described correctly.

The County is compliant with this component.

- Verify with CIP Technical Support and/or CIP Audit Financial Analyst(s) that the program is compliant with reporting requirements described in 1 TAC §175.4.*

The jurisdiction is current with reporting requirements based on the reporting activity documented in the OCA's CIP Court Collection Report software. All monthly reports were submitted for Calendar Years 2012 and 2013 at the time of review.

The County is compliant with this component.

- Test samples generated in Procedure #2 (above) to determine if an application was obtained within one (1) month of the assessment date, and contains both contact and ability-to-pay information for the defendant.*

Of the 40 cases tested, one (1) error was noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 8.65%.

The County is compliant with this component.

9. *Test samples generated in Procedure #2 (above) to determine if contact information obtained within the application was verified within five (5) days of obtaining the data.*

Of the 40 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 11.06%.

The County is compliant with this component.

10. *Test samples generated in Procedure #2 (above) to determine if local program or court staff conducted an interview with the defendant within 14 days of receiving the application.*

Of the 40 cases tested, two (2) errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 11.06%.

The County is compliant with this component.

11. *Test samples generated in Procedure #2 (above) to determine if the payment plans meet the Documentation, Payment Guidelines, and Time Requirements standards defined in TAC §175.3(c)(4).*

Of the 40 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.17%.

The County is compliant with this component.

12. *Test samples generated in Procedure #2 (above) to determine if telephone contact with the defendant within one (1) month of a missed payment was documented.*

Of the 46 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.48%.

The County is compliant with this component.

13. *Test samples generated in Procedure #2 (above) to determine if a written delinquency notice was sent to the defendant within one (1) month of a missed payment.*

Of the 44 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 3.50%.

The County is compliant with this component.

14. *Test samples generated in Procedure #2 (above) to determine if another attempt of contact, either by phone or by mail, was made within one (1) month of the telephone contact or written delinquency notice, whichever is later, on any defendant in which a capias pro fine was sought.*

Of the 30 cases tested, no errors were noted. Taking into consideration the inherent sampling error, we are 90% confident that the error rate is less than 4.73%.

The County is compliant with this component.

15. *Make a determination, based on results of the testing in Procedures #5 – 14 (above), as to whether the jurisdiction is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3 based on the criteria defined in 1 TAC §175.5(c).*

Denton County is compliant with Article 103.003 of the Code of Criminal Procedure and 1 TAC §175.3 The County was compliant with all four (4) of the Critical Components for Local Program Operations, and maintained a compliance rate greater than 80% for each of the seven (7) Critical Components for Defendant Communication.

## **APPENDICES**

## **OBJECTIVE, SCOPE, AND METHODOLOGY**

### **Objective**

The CIP Audit Department of the Office of Court Administration applied procedures, which the CIP Technical Support Department (client) and Denton County (responsible party) have agreed-upon, to determine if the County's collection program is compliant with Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

### **Scope**

This compliance engagement covers cases for which court costs, fees, and fines were assessed during the period of January 1, 2013 through February 28, 2013, but were not paid at the time of assessment. Cases were tested beyond the audit period to determine compliance with all components of the collection program. All cases that included court costs, fees, and fines that totaled \$10.00 or less were removed from testing.

### **Methodology**

Performed the procedures outlined in the Detailed Procedures and Findings section of this report to test records to enable us to issue a report of findings as to whether the County has complied, in all material respects, with the compliance criteria described in Article 103.0033 of the Code of Criminal Procedure and 1 TAC §175.3.

In performing the procedures, the 'tests' the auditor performed included tracing source documentation provided by the County to ensure the collection process met the terms of the criteria listed. Source documents include, but are not limited to, court dockets, applications for a payment plan, communication records, capias pro fine records, and payment records.

### **Criteria Used**

Code of Criminal Procedure, Article 103.0033  
Texas Administrative Code, Title 1, §175.3

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